

USAID

OFFICE OF INSPECTOR GENERAL

**Audit of USAID Compliance with Military
Coup d'Etat-Related Program Suspension
Requirements of Section 508 and Other
Related Sections of the Foreign Operations
Appropriation Acts -Cote d'Ivoire**

Audit Report No. 7-000-02-003-P

March 21, 2002



Dakar, Senegal

U.S. Agency for International Development



U.S. Agency for
INTERNATIONAL
DEVELOPMENT

March 21, 2002

MEMORANDUM

FOR: AFR/DAA, Keith E. Brown

FROM: DAIG/A, Bruce N. Crandlemire 

SUBJECT: Audit of USAID's Compliance with Military Coup d'Etat-Related Program Suspension Requirements of Section 508 and Other Related Sections of the Foreign Operations Appropriation Acts—Cote d'Ivoire (Report No. 7-000-02-003-P)

This memorandum is our report on the subject audit. We have considered your comments to the draft report and have included them in their entirety as Appendix II. The report contains three recommendations for your action, of which Recommendation No. 1 is closed with final action completed.

Based upon your comments to the draft report, we concur that the Bureau for Africa has reached a management decision on Recommendation Nos. 2 and 3. In accordance with USAID guidance, M/MPI is responsible for determining when final action has occurred. Therefore, when sufficient documentary evidence is available that planned actions have taken place, the Bureau should contact M/MPI for a determination of final action.

I appreciate the cooperation and courtesy extended to my staff during the audit.

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Summary of Results

On December 24, 1999, the Cote d'Ivoire military deposed the country's democratically elected president in a military *coup d' état*. Under the provisions of Section 508 of the appropriations act¹ (the Act), on December 29, 1999, the United States government suspended its assistance program in Cote d'Ivoire. (Page 4)

The OIG performed this audit to determine whether, for its programs in Cote d'Ivoire, USAID complied with selected sections of recent legislation, which address the suspension of assistance to countries whose democratically elected head of government was deposed by a military *coup d' état*. The audit disclosed that USAID generally did comply with the above legislation, except for two programs. (Page 4)

Following USAID's instructions, most of USAID's recipients reported suspending their activities. USAID then prepared a "wind up" plan, identifying the majority of its programs in Cote d'Ivoire, and approving the continuation of the programs under available statutory exemptions. Following the approvals, and in certain required cases notification to Congress, USAID resumed the majority of its programs. (Page 5)

However, a USAID-funded Peace Corps program in Cote d'Ivoire was not suspended as required by Section 508. This occurred because the Africa Bureau did not have adequate controls to ensure that the "wind up" plan identified all activities. Therefore, Bureau managers were not aware of the Peace Corps activities, and did not coordinate with other offices to instruct the Peace Corps to suspend those activities. (Page 7)

A USAID-funded project was also resumed prior to the end of the congressional notification period, contrary to Section 508. Although Democracy and Human Rights Fund activities were initially stopped after the *coup d' état*, the USAID Administrator signed a waiver under Section 541(a), permitting resumption of activities, but also requiring congressional notification. Since one of the activities was resumed prior to the end of the notification period, the waiver technically had not taken effect and Section 508 sanctions still applied. This occurred because the Bureau for Africa did not coordinate with other offices to ensure that program personnel were clearly instructed regarding when activities could resume. (Page 10)

The audit report recommends that the Bureau for Africa coordinate with other USAID offices to request that USAID-funded Peace Corps activities be suspended until a waiver is obtained. The audit also recommended that the Bureau coordinate procedures with other appropriate

¹ Foreign Operations, Export Financing, and Related Programs Appropriations Act, FY 2000

USAID offices to ensure that in the future all activities are identified on “wind up” plans and all activity personnel are notified of the program suspension. Also recommended were coordination procedures with other offices to ensure that in the future no activities are resumed prior to the end of any required congressional notification period. Bureau management generally agreed with the findings in this report. (Pages 9 and 11)

Background

The Cote d’Ivoire military deposed the country’s democratically elected President in a *coup d’ état* led by retired Chief of Staff General Guei. A military mutiny that began in Abidjan on December 23, 1999, and faced virtually no resistance, turned into a largely bloodless *coup d’ état* when General Guei came forward and declared himself the country’s new leader on December 24, 1999.

On December 29, 1999, the United States Government, under the provisions of Section 508 of the fiscal year 2000 appropriations act² (the Act), suspended its assistance program in Cote d’Ivoire in response to the *coup d’ état*. Section 508 provides that no funds appropriated, or otherwise made available, under the Act shall be obligated or expended to finance directly any assistance to any country whose democratically elected head of government was deposed by a military *coup d’ état*.

The audit field work ran from February 2001 to October 2001. The Section 508 sanctions concerning assistance to Cote d’Ivoire remained in effect as of the end of the field work.

Audit Objective

As part of our fiscal year 2001 annual audit plan, we performed this audit to answer the following audit objective:

For its programs in Cote d’Ivoire, did USAID comply with selected sections of recent legislation, which address the suspension of assistance to countries whose democratically elected head of government was deposed by a military *coup d’ état*?

Appendix I contains a discussion of the scope and methodology for the audit.

Audit Findings

USAID generally complied with selected sections of recent legislation that address the suspension of assistance to countries whose democratically elected head of government was deposed by a military

² Foreign Operations, Export Financing, and Related Programs Appropriations Act, FY 2000

coup d' état. It appropriately instructed the majority of program participants to suspend activities, prepared a “wind up” plan for most activities, obtained required waivers under available statutory authorities, and notified Congress as required by certain waivers. As a result, all USAID recipients that were notified by USAID reported suspending their activities. However, a USAID-funded Peace Corps program was not suspended as required by the subject legislation, and the necessary actions to obtain the required exemption from Section 508 sanctions were not completed. Additionally, a USAID-funded Democracy and Human Rights project was resumed without waiting for the congressional notification period to elapse, as required by the Act. These issues are discussed below.

Activities Resumed Under Statutory Authorities

In January of 2000, USAID issued guidance to the program implementation office for the Family Health and AIDS Program and all affected USAID/Washington offices that there should be no new obligations of funds for programs in Cote d'Ivoire. The guidance further stated that disbursements of already obligated program funds should be kept to a minimum. The guidance also stated that USAID-funded contractors and grantees should immediately stop providing assistance to governmental and private recipients in Cote d'Ivoire until further notice from USAID/Washington. Consequently, most recipients reported that they suspended activities as requested, in accordance with Section 508.

To facilitate the implementation of Section 508 sanctions (i.e. the cessation of all USAID-funded assistance), USAID issued additional guidance in January 2000 for the preparation of a “wind up” plan. The plan was to include such things as: (1) a description of all assistance activities being conducted in Cote d'Ivoire; (2) a discussion of the effect of suspension or termination of the programs and activities; (3) identification of exemptions/waivers/exceptions available for continuing an activity; and (4) a recommendation on whether and how the “wind up” program should be utilized. USAID's Bureau for Africa prepared a “wind up” plan for approval by the Assistant Administrator on May 22, 2000.

The “wind up” plan contained descriptions and suggested actions for the following USAID supported activities:

- Family Health and AIDS -West Africa and Central Africa (FHA);
- Democracy and Human Rights Fund (DHRF);
- Special Self-Help (SSH);
- Election Support by Consortium for Elections and Political Process Strengthening (CEPPS);
- ATRIP: Global Technology Network (GTN);

- The West African Rice Development Association (WARDA);
- UNICEF Assistance (community-based surveillance of suspected polio); and
- Demographic and Health Survey.

A summary description of these activities is presented in Appendix III.

As a result of its analysis of activities as described in its “wind up” plan, USAID decided to continue seven activities based on various statutory authorities or exceptions that allowed it to continue the activities despite the Section 508 sanctions. Most recipients did not resume activities until the waivers were obtained and, when required, the congressional notification period had expired.

Section 541(a) authority—Section 541(a) of the appropriations act permits USAID to provide assistance in support of programs of non-governmental organizations, notwithstanding the restriction imposed by Section 508. The President (this authority has been delegated to the Administrator of USAID³) must consider it in the U.S. national interest to do so and Congress must be notified prior to the resumption of activities. The USAID Administrator on May 1, 2000, taking into consideration that it was in the U.S. national interest and pursuant to Section 541(a), approved continued expenditure of existing obligations and the obligation of fiscal year 2000 economic support and/or development assistance funds. This approval covered five USAID-supported activities benefiting Cote d’Ivoire (FHA, DHR, SSH, CEPPS, and ATRIP; see Appendix III for program descriptions). USAID then notified Congress accordingly.

Section 522 authority—Section 522 of the appropriations act permits child survival and disease funding to be used for child survival and HIV/AIDS activities, notwithstanding any provision of law that restricts assistance to foreign countries. USAID’s FHA program activities being implemented in Cote d’Ivoire at the time of the *coup d’ état* included such child survival and HIV/AIDS activities. Accordingly, on May 22, 2000 USAID’s Assistant Administrator for Africa approved, as a matter of policy, the continued expenditure of existing obligations for child survival and HIV/AIDS activities.

Regional activities—Consistent with prior years, USAID determined that activities that provided only indirect regional assistance to Cote d’Ivoire were not prohibited by the Section 508 sanction. Accordingly, the West Africa Rice Development Association (WARDA) activity, which

³ Executive Order 12163 as amended and State Department Delegation of Authority No. 145.

conducted activities that provided only indirect regional assistance, was approved to continue to receive funding.

Section 617 “wind up” authority—At the time of the *coup d’ état*, USAID was supporting a Demographic and Health Survey in Cote d’Ivoire for the benefit of the Ministry of Health in planning health activities. According to USAID, this survey was approximately 90 percent complete and therefore on May 22, 2000 USAID's Assistant Administrator for Africa approved it for completion citing the “wind up” authority of Section 617 of the Foreign Assistance Act (FAA). Section 617 of the FAA provides that funds shall remain available for a period not to exceed eight months from the date of termination of assistance for the necessary expenses of winding up programs. USAID planned to delay the distribution of the completed survey to the government of Cote d’Ivoire until such time that the assistance suspension is lifted.

Activities not included in the “wind up” plan—Although the majority of activities were included in USAID’s “wind up” plan, USAID supported five additional activities that were benefiting Cote d’Ivoire at the time of the military *coup d’ état*. These activities included:

- Polio Eradication in Africa (World Health Organization/AFRO)
- U.S. Centers for Disease Control & Prevention (CDC)
 - Technical Assistance to the WHO Regional Office for Integrated Disease Surveillance (IDS) and Epidemic Preparedness and Response
 - Database on Anti-malarial Drug Resistance
- Africa Disease Control (World Health Organization/AFRO)
- Peace Corps Small Project Assistance (SPA) Program

The above World Health Organization and CDC activities can be considered as providing only indirect regional assistance, and therefore, were exempt from the sanctions of Section 508, regardless of whether they were included in the Administrator’s approved “wind up” plan. However, the USAID-funded SPA program of the Peace Corps did not fall under this exemption. This program is discussed below.

USAID-funded Peace Corps Activities Were Not Suspended

A USAID-funded Peace Corps program was not suspended after the *coup d’ état* as required by the Act. This occurred because the Africa Bureau did not have adequate procedures to coordinate with other USAID offices to identify all USAID-funded programs and notify program managers of the sanctions provided by Section 508. As a result, the Peace Corps

reported disbursing \$122,000 after the *coup d' état*, contrary to the provisions of Section 508.

USAID's Global Bureau provided funds to the Peace Corps using a Foreign Assistance Act Section 632(b) interagency agreement. The funds were for the Small Project Assistance (SPA) program with objectives to identify, design, and implement small-scale, community-level, self-help, sustainable development activities in areas of priority to USAID. The intent of the SPA program was to provide an efficient mechanism that can respond quickly and flexibly to small-scale project requirements which have an immediate impact at the community level.

USAID's Global Bureau reported that it obligated \$2.84 million in fiscal year 2000 and planned to obligate \$1.2 million in fiscal year 2001 under the interagency agreement to the Peace Corps for world-wide activities. Under a 632(b) interagency agreement, funds provided from one agency's budget to another agency retain their statutory restrictions and prohibitions. Thus, funds received by the Peace Corps under the 632(b) agreement with USAID would be subject to restrictions of Section 508 of the appropriations act against the provision of assistance to a country whose democratically elected head of government is deposed by military *coup d' état*. Peace Corps officials in Cote d'Ivoire reported that, of those amounts, they initially received \$70,000 in fiscal year 2000 and an additional \$110,000 in fiscal year 2001 from their headquarters.

After the *coup d' état* in December 1999, Peace Corps Cote d'Ivoire did not suspend the SPA program, but continued to fund new small projects until April 2001 when USAID's regional legal advisor instructed them to cease activity until a waiver could be obtained. Peace Corps officials stated that prior to this they were not specifically instructed by anyone from USAID that the SPA program was subject to Section 508 sanctions and should be suspended until necessary waivers and congressional notifications had been completed. Although a cable was sent immediately after the *coup d' état* to the U.S. Embassy in Abidjan stating that the USAID assistance program was being suspended, the Peace Corps SPA program was not specifically mentioned. The cable stated that a prohibition on new obligations applied to the FHA, DHRF and SSH, and Economic Support Fund (ESF)-funded activities, but did not specify Peace Corps SPA. It added, however, "any other activities which provide assistance to Cote d'Ivoire." Because the instructions to suspend assistance operations lacked specificity, we understand why, in a non-presence country such as Cote d'Ivoire, the Peace Corps office would not have been aware that this reference pertained to their SPA program.

The failure to suspend activities occurred because the Africa Bureau did not prepare a complete “wind up” plan identifying USAID-funded Peace Corps activities in Cote d’Ivoire. This was primarily due to the fact that the Africa Bureau did not maintain a comprehensive and updated schedule of all USAID-funded activities benefiting this non-program. Consequently, the Africa Bureau was not aware of the Peace Corps activities, and as a result, did not specifically instruct Peace Corps management to suspend activities until an appropriate waiver could be obtained. As a result, the Peace Corps reported that its Cote d’Ivoire program disbursed approximately \$53,000 of fiscal year 2000 funds and \$69,000 of fiscal year 2001 funds after the *coup d’ état* and prior to suspending activity in April 2001.

The following recommendations address the above issues. Since USAID has already notified the Peace Corps to stop USAID-funded SPA activities and has requested an appropriate waiver with congressional notification, we consider that final action has already been taken on Recommendation No. 1. Concerning Recommendation No. 2, the fiscal years 2001 and 2002 appropriations acts carry forward the provisions of Section 508. We have, therefore, included the recommendation to address the need to establish a standard system for effectively coordinating with other offices to implement the requirements of Section 508 in the future.

Recommendation No. 1: We recommend that USAID Bureau for Africa, in conjunction with other appropriate USAID offices:

- 1.1 notify the Peace Corps to cease small project activities in Cote d’Ivoire that are funded by USAID, and**
- 1.2 obtain an appropriate waiver and prepare the required congressional notification before the activities are resumed.**

Recommendation No. 2: We recommend that USAID Bureau for Africa coordinate procedures with other appropriate USAID offices to ensure that: (1) a comprehensive and current schedule of all USAID-funded activities is maintained for non-presence countries in the Africa Bureau, (2) “wind up” plans prepared as a result of Section 508 of the Foreign Operations, Export Financing, and Related Programs Appropriation Act are complete and contain all USAID-funded activities in the country in question, and (3) management personnel of all

activities on the “wind up” plan are notified of the sanctions under Section 508.

Activity Resumed Prior to End of Congressional Notification Period

A USAID-funded project was resumed prior to the end of the congressional notification period, contrary to Section 508. Although activities were initially stopped after the *coup d' état*, the USAID Administrator signed a waiver permitting resumption of activities, but also requiring congressional notification. Since one of the activities was resumed prior to the end of the notification period, the waiver technically had not taken effect and Section 508 sanctions still applied. This occurred because the Bureau for Africa did not coordinate with other offices to ensure that program personnel were clearly instructed regarding when activities could resume.

After the *coup d' état* in December 1999, activities under the Democracy and Human Rights Fund (DHRF) were reported as suspended in accordance with the provisions of Section 508. Consistent with the Act, the USAID Administrator approved a waiver, dated May 1, 2000, for DHRF activities to restart under Section 541(a). The required congressional notification of the use of Section 541(a) was dated June 28, 2000, with an expiration date of July 13, 2000, after which activities could be resumed, barring any objection from Congress.

DHRF officials, however, did not wait until the end of the congressional notification period prior to restarting activities. Under the DHRF program, the U. S. Ambassador had previously signed a grant agreement on June 22, 1999 with the Organization of Women Ministers and Parliamentarians of Africa - Cote d'Ivoire (REFAMP-CI) with a planned budget of \$10,000. The objective of the grant was to finance a national seminar to examine the current laws, regulations, and traditional behaviors, along with their impact, on the rights of women in Cote d'Ivoire. The grant had an original completion date of June 30, 2000, but due to the suspension, no activity took place under the grant following the *coup d' état*.

However, on April 17, 2000, the U.S. Embassy/Abidjan processed an advance under the grant requesting approximately \$4,100 (3,032,972 local currency) for REFAMP-CI. This was prior to the May 1, 2000 approval by the Administrator for the Section 541(a) waiver, and before the congressional notification period expiration date. Subsequently, on June 19, 2000, the U.S. Embassy/Abidjan paid the advance to REFAMP-CI for

that amount under the original agreement, which was prior to the end of the congressional notification. The liquidation voucher describing the expenditures under this advance was subsequently received on August 3, 2000.

Although, in this case, Congress ultimately did not object to the use of Section 541(a), and, therefore, the subsequent resumption of activities, Congress did have until the expiration date of the notice to put a hold on the use of Section 541(a). Therefore, the exemption authority of Section 541(a) technically did not take effect until the end of the congressional notification period. Consequently, the DHRF activities remained subject to Section 508 sanctions when the REFAMP-CI activities resumed. By restarting activities prior to the expiration date, DHRF officials denied Congress the opportunity to object to the use of Section 541(a) authority for the resumption of activities. Had Congress objected, it would have been too late to stop the resumption of activities.

This occurred because the Africa Bureau did not coordinate with other appropriate offices to ensure that activities in countries subject to Section 508 remained suspended until the proper time. DHRF officials in Cote d'Ivoire had no record of correspondence from USAID clearly indicating when they could resume activities. Nor did Africa Bureau officials have a record of any official correspondence to the DHRF office authorizing the resumption of activities. As a result, USAID-funded activities resumed during the period when the Section 541(a) exemption had technically not taken effect and Section 508 sanctions were still in force. To ensure that other offices employing USAID funds in the future avoid this type of compliance problem, the Africa Bureau needs to strengthen its coordination procedures with other offices so it is clear when resumption of activities can take place.

The following recommendation addresses the above issue.

Recommendation No. 3: We recommend that the USAID Bureau for Africa coordinate procedures with appropriate USAID and other U.S. Government offices to ensure that personnel managing assistance programs in countries under section 508 restrictions are informed when they may resume activities.

Management Comments and Our Evaluation

Bureau management generally agreed with the recommendations in the report. As stated earlier, Recommendation Nos. 1.1 and 1.2 are closed

upon the issuance of this report.

In response to Recommendation No. 2, the Africa Bureau stated that it is presently preparing Activity Information Sheets (AIS), in conjunction with other Bureaus, for activities not found in the country database to ensure that the database is comprehensive. Additionally, the Bureau intends to implement new procedures under which Country Development Officers will annually review the AIS database. The General Counsel will also include an item in the annual country checklist whereby Country Development Officers will verify that they have completed this task. In addition, future USAID cables, issued in response to a situation in which a democratically elected head of government is deposed by a military coup, will be copied to Policy and Program Coordination, which will post a notice on the USAID web site notifying activity managers. We believe that these additional procedures are adequate to ensure that a comprehensive database of non-presence countries is maintained, future “wind up” plans are complete and that all activity managers with operations in countries subject to Section 508 will be notified of the sanctions. Therefore, we concur that the Africa Bureau has reached a management decision on Recommendation No. 2.

In addition to the above, the Africa Bureau further plans to revise the cable providing guidance on the preparation of the “wind up” plan, as well as the “wind up” plan itself, in response to Recommendation No. 3. These documents will state that cognizant technical officers may resume an activity only upon specific notification that such activity may begin again. We agree that this will be adequate to ensure that future activities suspended under Section 508 sanctions will not be resumed prematurely. We, therefore, concur that the Bureau has reached a management decision for Recommendation No. 3.

Scope and Methodology
Scope

The audit was conducted in accordance with generally accepted government auditing standards and assessed whether, for its programs in Cote d'Ivoire, USAID complied with selected sections of recent legislation. This legislation addresses the suspension of assistance to countries whose democratically elected head of government was deposed by a military *coup d' état*.

Field work was performed at the following locations:

- USAID/Senegal from February 2, 2001 through October 26, 2001;
- USAID/Mali from February 12, 2001 through February 15, 2001;
- Africa and Global Bureaus of USAID/Washington from March 16, 2001 through August 6, 2001; and
- Field offices of various USAID supported activities in Cote d'Ivoire from June 11, 2001 through June 22, 2001.

In answering our audit objective, our audit scope included reviewing any USAID supported (i.e. funded) activities funded with fiscal year 2000 appropriations benefiting Cote d'Ivoire from the date of the military *coup d' état* (December 24, 1999) through the end of our fieldwork.

The audit criteria we principally used were comprised of Sections 508, 522, and 541(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, fiscal year 2000, Sections 451 and 617 of the Foreign Assistance Act, and the guidance provided by USAID/Washington to its Missions.

We examined all activities reported on the Africa Bureau's "wind up" plan as ongoing activities benefiting Cote d'Ivoire at the time of the *coup d' état*. In addition, we looked at certain activities that were being conducted in the country during the *coup d' état* but that were overlooked and not included in the plan.

Methodology

To assess management controls, the methodology included: (1) reviewing the Bureau for Africa's systems to determine if they contained the information necessary to identify all activities being implemented in Cote d'Ivoire; (2) examining activity reports at the field, mission, and bureau levels; and (3) conducting interviews with cognizant officials to determine whether the Mission had met its responsibilities established by Section 508 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, FY 2000.

To answer our audit objective, we: (1) reviewed USAID’s “wind up” plan for activities in Cote d’Ivoire; (2) reviewed program documentation maintained by USAID/Senegal and the USAID Bureaus in Washington; (3) reviewed approvals and waivers issued by the USAID Administrator and the Assistant Administrator for the Africa Bureau, (4) performed searches of USAID’s Center for Development and Information and Evaluation (CDIE) electronic database of program activities identifiable for Cote d’Ivoire; and (5) conducted interviews with cognizant USAID officials in Senegal, Mali and Washington and with implementing entities in Cote d’Ivoire.

Due to the importance of USAID complying with Section 508 of the fiscal year 2000 Appropriation Act, for reporting purposes we identified our materiality threshold as any activity, regardless of size, as having operations in Cote d’Ivoire.

**Management
Comments**

February 21, 2002

MEMORANDUM

TO: DAIG/A, Bruce N. Crandlemire

FROM: DAA/AFR, Keith Brown (signed)

SUBJECT: Comments on Draft Report re: “Audit of USAID’s Compliance with Military Coup d’Etat-Related Program Suspension Requirements of Section 508 and Other Related Sections of the Foreign Operations Appropriations Acts – Cote d’Ivoire,” Report No. 7-000-01-00X-P

We have reviewed the subject draft audit report dated January XX, 2002, received by the Bureau on January 23, 2002. The Africa Bureau concurs with the audit report’s recommendations and is committed to resolving the issues raised in relation to these recommendations. With respect to this commitment, the Bureau would like to make the following comments on the report’s findings and the actions taken to resolve them.

RECOMMENDATION NO. 1

We recommend that USAID Bureau for Africa, in conjunction with other appropriate USAID offices:

- 1.1 notify the Peace Corps to cease small project activities in Cote d’Ivoire that are funded by USAID,
- 1.2 obtain an appropriate waiver and prepare the required congressional notification before the activities are resumed.

AFRICA BUREAU COMMENT:

The Africa Bureau concurs with this recommendation, and notes the reference in the RIG Cover Memorandum that the recommendation is closed with final action taken.

RECOMMENDATION NO. 2

We recommend that USAID Bureau for Africa coordinate with appropriate USAID offices to ensure that: (1) a comprehensive and current schedule of all USAID-funded activities is maintained for non-presence countries in the Africa Bureau, (2) “wind-up” plans prepared as a result of Section 508 of the Foreign Operations Appropriation Act are complete and contain all USAID-funded activities in the country in question, and (3) management personnel of all activities on the “wind-up” plan are notified of the sanctions under Section 508.

AFRICA BUREAU COMMENT:

The Africa Bureau agrees with the auditors as to the importance of a comprehensive database of activities in each country. In May 2000, the Agency instituted such a system, the Activity Information Sheet (AIS) System, which is managed by PPC. The AIS system requires that the activity manager of every activity that is not covered by a country strategy submit a short sheet to the AIS database. The comprehensiveness and updating of the AIS database must be the responsibility of each Agency bureau managing non-presence country activities since many of the activities in non-presence countries are managed by other bureaus.

The Africa Bureau reviewed the Cote d’Ivoire portion of the AIS database and observed that several activities known to be operating in Cote d’Ivoire in FY 2001 were not listed in the AIS database for Cote d’Ivoire, despite the fact that waivers had been approved for the activities to take place after the coup d’etat. The Africa Bureau, in conjunction with other Bureaus, is presently preparing AIS sheets for the activities to be entered into the PPC database. The Africa Bureau agrees that it would be useful for PPC to issue an Agency-wide reminder of the need to submit all required AIS sheets. In fact, PPC does issue such notices on the Electronic Bulletin Board System at intervals during the year, the last notice dating from January 2002. PPC distributed a notice in February 2002 inviting desk officers to a session in March 2002 designed to explain access to the data system and to underline the importance of updating the system.

The Africa Bureau believes that there are already in place sufficient procedures for the preparation of wind-up plans and the notification of resumption of activities. The delayed suspension of one activity and the early resumption of another activity were due to an inadvertent oversight of existing procedures rather than a lack of adequate procedures.

The military coup in Cote d’Ivoire, a non-presence country, occurred on December 24, 1999. On January 3, 2000, pursuant to State Department instructions, USAID sent a short cable to the U.S. Embassies in Cote d’Ivoire and Senegal informing them of the coup and directing them to suspend the USAID assistance program for Cote d’Ivoire (State 86). To facilitate its immediate issuance, this cable was short and general in its direction to suspend, and stated that more detailed instructions would follow shortly. This cable was also copied to the legal counsel for Agency bureaus that could be managing activities in Cote d’Ivoire, in order to facilitate broad notification of the coup and the suspension of assistance.

On January 18, 2000, USAID sent a follow-up cable containing detailed guidance on the suspension, and requested immediate preparation of a wind-up plan identifying all USAID funded assistance for Cote d'Ivoire (State 9855). This cable requested detailed information "on all regionally and centrally funded assistance to Cote d'Ivoire to ensure that the wind-up plan is comprehensive and that all activities are considered for possible continuation to the extent permitted by legislation." This follow-up cable also stated that "there may be assistance to Cote d'Ivoire through other mechanisms such as AFR/SD and G. This guidance is to ensure that USAID considers all assistance to Cote d'Ivoire and includes all USAID financed programs in the wind-up plan."

While the cable suggested a few types of activities that generally occur in most African countries (*e.g.*, ESF, Self-Help, and DHRF), it purposely did not attempt to identify all activities that might be occurring in Cote d'Ivoire, in order to facilitate its rapid issuance and to avoid creating the impression that all affected activities had been identified.

Since Cote d'Ivoire is a non-presence country, this cable was sent to the several field posts with involvement in the Cote d'Ivoire program (Embassy Cote d'Ivoire, USAID/Mali which has programmatic responsibility for Cote d'Ivoire, and USAID/Dakar which provides certain services for the Cote d'Ivoire program) to ensure the broadest coverage. It was also cleared by, and copied to, USAID/W bureaus and offices in the Africa Bureau that could have multi-country activities in which Cote d'Ivoire was participating.

These cables followed the standard text and distribution for suspension and termination cables after a military coup or Brooke sanction, with appropriate modification for the applicable type of suspension (Brooke or military coup) and any annual changes to legislation.

To further ensure that all activities involving Cote d'Ivoire were identified, Africa Bureau personnel made follow-up telephone calls to managers of multi-country activities, and the final wind-up plan was cleared by personnel from bureaus and offices responsible for multi-country activities, and included a statement that the plan included all their activities which provided assistance to Cote d'Ivoire.

For activities that are not managed by the Africa Bureau, the Africa Bureau does not have the authority to directly notify the contractors and grantees to suspend or resume assistance. For direct contracts and grants, it is the cognizant contracting and grant officers who have the authority and responsibility to direct a contractor or grantee to suspend and resume assistance. Notice to the contract/grant officer regarding suspension and resumption of assistance needs to come from the responsible technical officer. Similarly, it is the responsible agreement officer who has the authority and responsibility to notify another USG agency, under an interagency agreement, of suspension and resumption. The Africa Bureau will notify its responsible officers and will also notify another USG Agency of any suspension or resumption of assistance under an interagency agreement that it has signed. Africa Bureau notifies its responsible officers of suspension of assistance through (a) dissemination of FM/LMD's delinquency report, (b) a wind-up plan cable, (c) wide distribution of GC/AFR's country restrictions matrix distribution, and (d) additional means, as appropriate.

For interagency agreements, the cognizant technical officer has the responsibility to notify other USG agencies with which AFR has signed interagency agreements.

The above procedures notwithstanding, the Africa Bureau and other concerned offices, in order to improve inter- communication and coordination between our offices, as well as to improve the quality of a wind-up plan, intend to implement the following new measures:

--Country Development Officers (CDOs) will annually review the AIS database for their country and inform PPC of any activity they know about in their country not covered by a country strategy, for which there is not a sheet in the AIS database. GC will include an item in the annual country checklist whereby CDOs verify that they have completed this task. In this regard, GC/AFR included this item in the FY 2002 country checklist distributed to the AFR CDOs by e-mail on January 15, 2002. GC/AFR also distributed a sample notice to AFR CDOs to send to PPC of any activities they noticed were missing from the AIS database.

--Following a determination by the State Department of a situation where a democratically elected head of government is deposed by a military coup d'etat, a USAID cable will be copied to PPC which will post a "flare notice" on the Agency website notifying activity managers.

Based on the procedures already in place, actions completed and actions in process, we request resolution and closure of Recommendation No. 2.

RECOMMENDATION NO. 3

We recommend that the USAID Bureau for Africa coordinate with appropriate USAID offices to ensure that personnel managing assistance programs in countries under section 508 restrictions are informed when they may resume activities.

AFRICA BUREAU COMMENT:

The Africa Bureau concurs with this recommendation.

Our response to Recommendation No. 2 included new actions designed to improve the communication between the Africa Bureau and other related Bureaus and offices. We further propose that the cable providing guidance on the preparation of the wind-up plan and the wind-up plan itself state that CTOs may resume an activity only upon specific notification that such activity may begin again.

Based on the procedures already in place, actions completed and actions in process, we request resolution and closure of Recommendation No. 3.

The Africa Bureau appreciates the collaboration and assistance that the auditors provided during the course of this audit.

Description of Activities

Activities Funded by USAID and Benefiting Cote d'Ivoire

Name of Activity	Description of activity
Family Health and AIDS Project (FHA) (Activity 624-0440)	The FHA program carries out regional and bilateral health activities in West and Central Africa. The FHA program is comprised of four programmatic components: Family Planning, HIV/AIDS Prevention, Child Survival and Nutrition, and Capacity Building.
The Consortium for Elections and Political Process Strengthening (CEPPS) (CA AEP-5468-A-00-5038-00)	Providing technical assistance for elections administration and working with the Constitutional Electoral Consultative Commission in drafting and promulgating a new constitution and electoral code.
Center for Trade and Investment Service/Global Technology Network (IESC) (Activity 940-0102)	Funding of a local representative for the Global Technology Network in Cote d'Ivoire who works in the offices of the West Africa Enterprise Network, an association of private businessmen and women.
West Africa Rice Development Association (WARDA)	WARDA is an autonomous research association with the mission to strengthen Sub-Saharan Africa's capability for technology generation, technology transfer, and policy formulation to increase the productivity of rice-based cropping systems.
Demographic and Health Survey	This activity supports the preparation of the 1998/1999 Demographic and Health Survey for Cote d'Ivoire.
Ambassador's Special Self Help (SSH) (Activity 698-9901.81)	U.S. bilateral assistance projects to Cote d'Ivoire rural communities. The projects are funded by USAID and managed by the Embassy in Abidjan.
Democracy and Human Rights Funds (Activity 698-0541.81)	Nine small scale democratization projects managed by the U.S. Embassy in Abidjan.
Research grant to UNICEF covering suspected polio	Community-based surveillance of acute flaccid paralysis (suspected polio) in Cote d'Ivoire.
Peace Corps Small Assistance Program (SPA)	The program facilitates local grass-roots efforts by combining Peace Corps Volunteers knowledge of local conditions with USAID technical and financial resources. In Cote d'Ivoire the programs primarily dealt with community-level self-help projects.
Centers for Disease Control and Prevention Technical Assistance	Technical advice to the World Health Regional Office for Africa to improve policies and strategies for targeted disease surveillance and epidemic preparedness and response.
Centers for Disease Control and Prevention Technical Assistance	Technical assistance in developing a database of information of levels of anti-malarial drug resistance in Africa.

Name of Activity	Description of activity
Africa Disease Control (WHO/AFRO)	Support to the World Health Organization regional office in Africa for inter-country prevention and control of disease in Africa.
Polio Eradication in Africa (WHO/AFRO)	Support to the World Health Organization's Africa Regional Office polio eradication program activities.